BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of California American Water Company (U 210 W) for a Certificate of Public Convenience and Necessity to Construct and Operate its Coastal Water Project to Resolve the Long-Term Water Supply Deficit in its Monterey District and to Recover All Present and Future Costs in Connection Therewith in Rates.

Application 04-09-019 (Filed May 27, 2010)

DIVISION OF RATEPAYER ADVOCATES' MODIFICATIONS TO THE PROPOSED SETTLEMENT AGREEMENT

Pursuant to Administrative Law Judge ("ALJ") Minkin's May 4, 2010 Ruling Regarding Workshops, Evidentiary Hearings, and Public Participation Hearings, and ALJ Minkin's May 12, 2010 email revising the procedural schedule, the Division of Ratepayer Advocates here provides its proposed changes to the Settlement Agreement filed on April 7, 2010 and Water Purchase Agreement filed on April 7, 2010 and revised on May 19, 2010. Attachment 1 is a strike-out version of the Proposed Settlement Agreement. Attachment 2 is a strike-out version of the Water Purchase Agreement. Attachment 3 is a strike-out version of the Detailed Description and Construction Schedule and the Conceptual Capital Cost Estimates for California American Water Company Facilities.

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¹ These two documents were Attachment 3 and Attachment 4 to the April 7, 2010 Settlement Agreement.

Respectfully submitted,

/s/ MONICA MCCRARY

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May 27, 2010

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CERTIFICATE OF SERVICE

I hereby certify that I have this day *served* a copy of "DIVISION OF

RATEPAYER ADVOCATES' MODIFICATIONS TO THE PROPOSED

SETTLEMENT AGREEMENT" to the official service list in A.04-09-019 by using the following service:

[X] E-Mail Service: sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[] U.S. Mail Service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on May 27, 2010 at San Francisco, California.

|/s/ JAIME VADO Jaime Vado

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